

# FISCAL NOTE

## SB 2162

January 23, 1998

**SUMMARY OF BILL:** Changes the date when unpaid child support is considered in arrears to the fifth day of the month following the due date. Currently payments are considered to be in arrears immediately after the due date. The bill also requires computation of interest on past due judgements based on compound rather than simple interest.

### ESTIMATED FISCAL IMPACT:

Increase State Expenditures -	\$10,800 One-Time
Other Fiscal Impact- Increase Federal Expenditures-	\$21,000 One-Time
Increase State Revenues -	Not Significant

According to the Department of Human Services the current law setting the overdue date for a support payment conforms to Federal Law. Changing this may jeopardize Federal Funding for Temporary Assistance. The change in calculation of interest would require some system changes to the Tennessee Child Support Enforcement System. Interest payments would increase somewhat by using compound interest calculations. Interest on support payments for Temporary Assistance cases reverts to the state.

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director